



## THE CITY OF SAN DIEGO

### AFFORDABLE HOUSING COLLABORATIVE EXECUTIVE LOAN COMMITTEE

#### MINUTES

THURSDAY, JUNE 25, 2009

3:00PM – 5:00PM

CIVIC CENTER PLAZA  
1200 THIRD AVENUE, SUITE 1400, LARGE CONFERENCE ROOM  
SAN DIEGO, CALIFORNIA 92101

1. **Roll Call**

Members Present: Cruz Gonzalez, William Shaw (chair), Sam Guillen (alternate for Sal Salas)

Members Absent: William Anderson

Other Staff Present: James Davies, Michele St. Bernard, Melissa Garcia, Krissy Toft, Karina Danek,  
Ulysses Panganiban, Eri Kameyama

Public Present: Jordan Penn, David Billings, Jay Powell, Manuel Oncina

2. **Approval of Minutes**

January 22, 2009 – motion to approve (Gonzalez/Guillen, passes, 3-0-0)

April 23, 2009 – motion to approve (Gonzalez/Guillen, passes, 3-0-0)

3. **Public Comment**

None

4. **Administrative Items**

None

5. **Fairmount 26**

Krissy Toft, Project Manager, City Redevelopment Division, presented a request for an allocation of an amount not to exceed \$3,015,000 from the Affordable Housing Opportunity Fund ("Housing Line of Credit") for Fairmount 26, an affordable rental housing project located within the City Heights Redevelopment Project Area. The project site is in close proximity to schools, public transportation, and the Urban Village. The project would be on approximately 0.71 acre (31,000 square feet) at 3332–3406 Fairmount Avenue. It would consist of 26 affordable 2- to 3-bedroom apartment units in a 4-story building with 61 parking spaces and approximately 4,100 square feet of commercial/retail space. Onsite amenities would include 1,295 square feet of classroom space and "green" building technologies, such as photovoltaic panels and water conservation measures. All rental units would be affordable to households earning from 30% to 60% of the Area Median Income (AMI). Because two residential units would be demolished to build the project, a Replacement Housing Plan has been prepared by the

Redevelopment Agency. Members of the development team (Fairmount 26, L.P.) were present to respond to questions from the ELC. There was no public comment on the project.

Questions from the committee and discussion items included:

- What is the rationale for the “high” developer’s fee at 10.2%? *The developer’s fee would be split between the members of the Fairmount 26, L.P. (City Heights Community Development Corporation and Chelsea Investment Corporation). Approximately \$250,000 of the developer’s fee would be deferred and be repaid by the project’s operating income over a 10 year period.*
- What is the rationale for the general requirements, contractor’s overhead, and contractor’s profit to be at 14% total? *Chelsea Investment Corporation would act as the general contractor. The 14% is a not-to-exceed amount. A revised budget would be submitted.*
- What is the tax credit financing situation? *Tax credit pricing is currently at 70¢. There is also a 12¢ boost from stimulus funds. The Richmond Group has expressed interest in investing. If tax credit investors cannot be found, the alternative is to approach Bank of America or do a cash exchange.*

Motion to recommend project for Agency funding (Gonzalez/Guillen, passes, 3-0-0).

6. **General Discussion**

The status of the Affordable Housing Opportunity Fund was briefly discussed and a spreadsheet summarizing Opportunity Fund activities was distributed. A preliminary list of County of San Diego tax credit projects for the 2009 round was passed out and discussed.

7. **Meeting Adjourned**

Motion to adjourn (Gonzalez/Guillen, passes, 3-0-0)

Draft Prepared: 070709 uip

Final Approved: 052710  
Motion by: Cruz/Shaw  
Committee Vote: 3-0-1

Revisions to Draft: *Double Underlined and Italic*  
Revisions Prepared: N/A